

August 10, 2001

Phillip M. Marston, Esq.
Xenergy, Inc.
Suite 300
218 N. Lee Street
Alexandria, VA 22314

RE: Xenergy, Inc. Docket No. D.P.U./D.T.E. 97-22

Dear Attorney Marston,

On February 4, 1997, the Department of Public Utilities, now the Department of Telecommunications and Energy ("Department"), received Xenergy, Inc.'s ("Xenergy") petition docketed as D.P.U. 97-22. Xenergy's petition requests the Department to initiate an investigation of the operational feasibility and effectiveness of Boston Gas Company's interim capacity release program, or in the alternative, to initiate a Phase II proceeding in Boston Gas Company, D.P.U. 96-50 (1996), to examine the effectiveness of Boston Gas' interim capacity release program in furthering the development of competition in the natural gas marketplace. Xenergy states that the interim capacity release mechanism approved in D.P.U. 96-50, and as implemented by Boston Gas, is fragmenting the upstream capacity into so many small contractual segments that the commercial viability of the Department's entire unbundling effort is jeopardized. Xenergy claims that Boston Gas' interim capacity release program is creating a disorderly and confusing approach to the capacity assignment issue and is not facilitating the important policy goal of establishing a more competitive gas supply market in Massachusetts.

The Department notes that the interim capacity assignment decision made in D.P.U. 96-50 has been superseded by the issues addressed and decided in Natural Gas Unbundling, D.T.E. 98-32 A-E. See D.T.E. 98-32-A (1998), D.T.E. 98-32-B (1999), D.T.E. 98-32-C (1999), D.T.E. 98-32-D (2000), and D.T.E. 98-32-E (2000). As the issues have been thoroughly investigated and addressed by the Department, the Department finds that Xenergy's petition is moot and should be dismissed.

By Order of the Department,

James Connelly, Chairman

W.Robert Keating, Commissioner

Paul B.Vasington, Commissioner

Eugene J. Sullivan, Jr., Commissioner

Deirdre K. Manning, Commissioner

cc: Mary Cottrell, Secretary